

Top Secret 201

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_____ NATIONAL INTELLIGENCE DAILY CABLE _____
 _____ Tuesday June 22, 1976 _____ CI NIDC 76-146C _____

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NATIONAL SECURITY INFORMATION
 Unauthorized Disclosure Subject to Criminal Sanctions

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ITALY

The Communist Party made a major advance in the Italian parliamentary election although they fell short of overtaking the Christian Democrats as Italy's largest party. The results will thus strengthen the Communist bid for some role in the national government but will provide no clear-cut solution to the political deadlock that led Italian leaders to call for the election.

The Communists added to the votes they gained in regional elections a year ago and were the only party to gain significantly in either the senate or the chamber of deputies, compared to the previous parliamentary election in 1972.

The final senate count gave the Communists 33.8 percent, an increase of more than 6 percent over 1972. In the chamber, with 96 percent of the ballots counted, the Communist vote of 34.7 percent is an increase of more than 7 percent over the party's 1972 showing--the largest gain the Communists have registered in any postwar election.

The Christian Democratic totals of 38.9 percent in the senate and 38.7 percent in the chamber differ only fractionally from the party's performance in 1972, although they represent a gain of about 3 percent with respect to its performance in the regional elections last year.

The Christian Democrats appear to have held their own mainly by offsetting losses on their left--apparently to the Communists--by drawing support away from smaller parties, such as the neo-fascists, Liberals, and Social Democrats.

The Socialists, who pushed hardest for an election, remain in third place but will be bitterly disappointed by their showing--10.2 percent in the senate and 9.7 percent in the chamber--which does not differ significantly from 1972 and represents a drop of about 2 percent from the regional elections.

Government Prospects

The results of the election will make it very difficult to form a new government, and it is likely to take weeks, if not months, to find a compromise.

25X1 [] The election was called mainly as a result of the Christian Democrats' refusal to yield to long-standing Socialist demands that the Communists be given at least an indirect role in the government. The election, however, has only strengthened the Communists' influence and will leave at the center of political debate the question of their future role.

25X1 [] Despite the Socialists' lackluster showing, they remain in a pivotal position. The Christian Democrats will not be able to put together a non-Communist parliamentary majority without them. Crucial to what comes next, therefore, will be whether the Socialists adhere to their demand that the Communists be associated with the government in some way. In preliminary comments last night, Socialist leader De Martino indicated that his party would not change its position.

25X1 [] If the Christian Democrats can draw the Socialists into discussions on a new coalition, the negotiations may be reduced to a tug of war between the two parties over the degree of influence to give the Communists in national policy-making.

25X1 [] Some Christian Democrats have indicated a willingness to accept an arrangement, limited in time and scope, under which the Communists would be consulted on major government programs, particularly in the economic area.

25X1 [] The Christian Democrats' ability to make such a concession will be limited, however, by the fact that their base of support has shifted even further to the right as a result of their tough anti-Communist campaign.

25X1 [] Although it is too early to draw firm conclusions, it is likely to be difficult, if not impossible, to isolate the Communists entirely from the national governing process. With the Communists' vastly strengthened position in parliament, their cooperation would be essential to the passage and implementation of any major programs proposed by a government in which they do not directly participate. []

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National Intelligence Daily Cable for Tuesday, June 22, 1976.

[REDACTED]
[REDACTED] The NID Cable is for the purpose of informing senior US officials.

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LEBANON

[REDACTED] A Lebanese cease-fire arranged by Libyan mediator Prime Minister Jallud early Monday morning has been partially effective. Although there is still some heavy fighting, the truce has allowed an advance contingent of the Arab League security force, made up primarily of Syrian troops, to take up positions around the Beirut airport.

[REDACTED] The terms of the cease-fire clearly favor Syria and are a measure of the Palestinians' near-desperate desire to open up at least one supply route to the capital. [REDACTED]

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[REDACTED] The Palestinians have also agreed to return the facilities they seized in Beirut from the Syrian-sponsored Saiqa Palestinians and Baath party. [REDACTED]

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[REDACTED] The Syrians themselves have been under considerable international pressure to agree to a cease-fire so the airport and adjacent coastal road can be used for air and overland evacuation of foreign nationals. Damascus, however, seems to have arranged the terms of the truce so that Syrian troops will still have effective control of the southern approaches to Beirut.

[REDACTED] //The Arab League contingent that arrived yesterday was supposed to have equal numbers of Syrian and Libyan troops, but apparently consists of nearly 600 Syrians and only 200 Libyans. Moreover, according to the terms of the cease-fire, the 800 Syrian troops being withdrawn from the area have been charged with protecting the new arrivals.//

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[REDACTED] The US embassy has learned that the League force hopes to have the airport open by today or tomorrow so additional security troops can be brought in by air. Other Arab countries contributing to the force continue to stall, however, and apparently none has any immediate plans to send its participants. Rocket attacks on the airport tower and other buildings over the weekend may also have delayed further deployment of the League force.

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[REDACTED] A British-sponsored road convoy that was canceled for the second time yesterday is now scheduled to depart today. Over 30 US citizens have apparently decided to join the convoy. The Pakistani embassy reportedly is also trying to arrange the evacuation of its personnel via an overland route later this week.

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[REDACTED] Although the truce arranged by Jallud is supposed to be a nationwide cease-fire, heavy fighting continued yesterday in the outskirts of the capital and elsewhere in the country. Syrian and Christian forces kept up their artillery attacks on Palestinian refugee camps in the southern suburbs of Beirut. There also was fighting in the north near Tripoli and in the central portion of the country north of the Beirut-Damascus highway. [REDACTED]

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JAPAN

25X1 [] Prime Minister Miki and his powerful challengers in the ruling Liberal Democratic Party have tacitly agreed to a political truce pending public disclosure of the results of Tokyo's Lockheed investigation, now widely expected sometime in August.

25X1 [] Miki's rivals will almost certainly renew their efforts to remove him during a special Diet session expected to take place in August. This would be well before the onset of national election campaigning in the fall.

25X1 [] Miki has so far successfully insisted that he remain in office until the Lockheed affair is finally resolved. Earlier this month, he capitalized on popular suspicions that his rival's initial attempt to oust him was a prelude to a Lockheed cover-up. The public reaction, combined with delays in the Lockheed investigation and Miki's trip to this week's economic summit meeting in Puerto Rico, forced the Prime Minister's opponents to delay their timetable for his removal.

25X1 [] Liberal Democratic Party vice president Shiina, Miki's most vocal critic, as well as Finance Minister Ohira and former prime minister Tanaka, apparently have agreed to accede for the time being to the mediation efforts of other senior conservatives to avoid further public outcry which could benefit Miki.

25X1 [] Deputy Prime Minister Fukuda--to date the kingpin in Miki's tenure and almost certainly his successor as well--also presumably favors some delay; Fukuda has privately suggested that Miki be allowed to take some credit for resolving the Lockheed affair, allowing him a graceful exit after initial Lockheed disclosures are made.

25X1 [] Despite the slowdown, the anti-Miki alliance is intact. Shiina, Tanaka, and Ohira are continuing to lobby within the party to have Miki replaced by arguing that the Prime Minister's

weak leadership will damage the conservatives in this fall's Diet elections. If Lockheed disclosures occur, as now expected, in August, Miki's rivals will undoubtedly move against him soon afterward. Fukuda has said that there is still general agreement within the party that Miki must be replaced before this year's general elections.

CYPRUS

Turkish Cypriot leader Rauf Denktash won a landslide victory in Sunday's presidential race in the self-proclaimed Federated Turkish State of Cyprus, and his party seems assured of control in the legislature.

Unofficial returns suggest that Denktash picked up nearly three fourths of the vote against his main challenger, Ahmet Berberoglu, who heads the leftist Republican Turkish Party.

In the legislative contest, candidates belonging to Denktash's center-right National Unity Party ran behind their leader. They did manage to secure just over 50 percent of the vote, however, and this will probably give the party a majority in the 40-member body.

In the election campaign, Denktash stressed the need for close ties to the Turkish mainland and a tough stance in negotiations with the Greek Cypriots on a federation of the two communities. He may well interpret his own victory as a mandate to continue to press Ankara for permission to declare independence regardless of the opposition's inroads in the legislative election.

FRANCE

//France is insisting that its forces in West Germany be excluded from Western force totals when the allies table figures in Vienna to counter data recently submitted by the Soviets.//

//Since the force reduction negotiations began, Paris has allowed the French forces in the reduction area to be

included in Western figures, even though France did not participate in the negotiations and would not be bound by any commitments made there. The French announced their new position last week and confirmed it yesterday, contending that they had always been "hostile" to the inclusion of their forces in Western data.//

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[] //The exclusion of French forces from Western totals will make it even more difficult to negotiate a collective force figure for each side. Moreover, the West Europeans fear that the French decision could set a precedent for establishing a national sub-ceiling--something the allies have consistently opposed.//

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[] //Some allies--particularly West Germany--have been seeking new assurances in recent months that Washington remain firm in its opposition to national sub-ceilings. A meeting of representatives from Bonn, London, and Washington to discuss these concerns and future Western negotiating strategy is planned for early July.//

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[] //In general, the allies share the US desire to table updated force figures, now both as a tactic designed to counter the Soviet move and to enable the West to probe further Eastern motives in the negotiations.//

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[] //We have no information yet on the reason for the sudden shift in the French position. French President Giscard is currently under attack domestically for announcing policy changes which move France toward increased defense cooperation with the US and France's European allies.//

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[] //Giscard may want to avoid the impression in France that by permitting continued inclusion of French forces in Western totals Paris has accommodated itself to the desire of Moscow and its own allies that it accept a role in the negotiations. []

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SOUTH AFRICA

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[] The US embassy in Pretoria believes that the readiness of South African leaders to blame the extensive rioting in black townships on subversives suggests they will move to tighten already stringent controls on non-white activities.

- 25X1 [] In a preliminary assessment of the disturbances, the embassy says that government leaders are unlikely to consider needed reforms of the apartheid system, which will set the stage for future outbreaks of violence.
- 25X1 [] Rioting began last Wednesday in Soweto and spread to at least eight more of the all-black residential areas around Johannesburg by Friday. Police have confirmed that last week's casualties--mostly among blacks--came to at least 120 killed and 1,100 injured.
- 25X1 [] Yesterday some rioting occurred in three black townships around Pretoria, where several blacks were killed in clashes with police. None of these incidents, however, approached last week's level of violence.
- 25X1 [] The embassy sees no factual basis for Minister of Justice Kruger's assertion in parliament last Thursday that the rioting very likely was fomented by white radicals and black subversives. It also discounts Prime Minister Vorster's subsequent intimations that rioting was intended to scuttle his meeting with Secretary Kissinger, scheduled for Wednesday.
- 25X1 [] The embassy points to the insensitivity of government officials in dealing with student protests against having to learn Afrikaans. It also notes the many indications that the rioting spread spontaneously.
- 25X1 [] Although the rioting represents the worst urban violence in South Africa's history, it does not pose an immediate threat to white supremacy. Rioters made no attempts to break out of the black townships. By Saturday police had regained control without military reinforcements, except for a few helicopters.
- 25X1 [] Nevertheless, the embassy believes the events have sharply intensified the sense of insecurity among South African whites that first became apparent during the Angolan crisis last winter.
- 25X1 [] Fear of racial violence at home probably will also reinforce Pretoria's instincts caution rather than innovation in dealing with Rhodesia and Namibia. []

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